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Income Tax.

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Office of the Secretary of State
March Fong Eu

1230 J Street
Sacramento, California 95814

0399

Elections Division
(916) 445-0820
TDD: (800) 833-8683

January 7, 1988

TO: ALL REGISTRARS OF VOTERS AND COUNTY CLERKS
AND PROPONENT (8805)

FROM:


DEBORAH SEILER

Assistant to the Secretary of State
Elections and Political Reform

Pursuant to Elections Code § 3520, subd. (b) you are hereby notified that the total number of signatures to the hereinafter named proposed INITIATIVE STATUTE filed with all county clerks is less than 100 percent of the number of qualified voters required to find the petition sufficient; therefore, the petition has failed.

TITLE: INCOME TAX.
INITIATIVE STATUTE.

SUMMARY DATE: July 22, 1987

PROPONENT: Paul McCauley, C.P.A.

DS/1/gw

F.INIT



#399

Office of the Secretary of State
March Fong Eu

1230 J Street
Sacramento, California 95814

Elections Division
(916) 445-0820
TDD: (800) 833-8683

December 15, 1987

AMENDED

TO ALL REGISTRARS OF VOTERS, OR COUNTY CLERKS, AND PROPONENT (8754)

Pursuant to Section 3513 of the Elections Code, we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed Initiative Measure entitled:

INCOME TAX.
INITIATIVE STATUTE.

Circulating and Filing Schedule

1. Minimum number of signatures required.....372,178
Cal. Const., Art. II, Sec. 8(b).
2. Official Summary Date.....Wednesday, 07/22/87
Elec. C., Sec. 3513.
3. Petition Sections:
 - a. First day Proponent can circulate Sections for
signatures.....Wednesday, 07/22/87
Elec. C., Sec. 3513.
 - b. Last day Proponent can circulate and file with
the county. All Sections are to be filed at
the same time within each
county.....Monday, 12/21/87*+
Elec. C., Secs. 3513, 3520(a).
 - c. Last day for county to determine total number
of signatures affixed to petition and to
transmit total to the Secretary of State.....Tuesday, 12/29/87

(If the Proponent files the petition with the county on a date prior to 12/21/87, the county has five working days from the filing of the petition to determine the total number of signatures affixed to the petition and to transmit the total to the Secretary of State.) Elec. C., Sec. 3520(b).

* Date adjusted for official deadline which falls on Saturday.
Elec. C., Sec. 60.

+ PLEASE NOTE: To the Proponent who may wish to qualify for the June 7, 1988 Primary Election. The law allows approximately 71 days for county election officials to check and report petition signatures and transmit results. The law also requires that this process be completed 131 days before the election in which the people will vote on the initiative. It is possible that the county may not need precisely 71 days. But if you want to be sure that this initiative qualifies for the June 7, 1988 Primary Election, you should file this petition with the county before November 19, 1987.

- d. Secretary of State determines whether the total number of signatures filed with all county clerks meets the minimum number of required signatures, and notifies the counties.....Tuesday, 01/05/88**

- e. Last day for county to determine total number of qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State.....Wednesday, 01/20/88

(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 12/29/87 the last day is not later than the fifteenth day after the county's receipt of notification.)
Elec. C., Sec. 3520(d), (e).

- f. If the signature count is more than 409,395 or less than 334,961, then the Secretary of State certifies the petition has qualified or failed, and notifies the counties. If the signature count is between 334,961 and 409,395 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of all signatures.....Thursday, 01/28/88**

- g. Last day for county to determine actual number of all qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State.....Monday, 03/14/88

(If the Secretary of State notifies the county to determine the number of qualified voters who have signed the petition on a date other than 01/20/88, the last day is not later than the thirtieth day after county's receipt of notification.)
Elec. C., Sec. 3521(b), (c).

- h. Secretary of State certifies whether the petition has been signed by the number of qualified voters required to declare the petition sufficient.....Thursday, 03/17/88

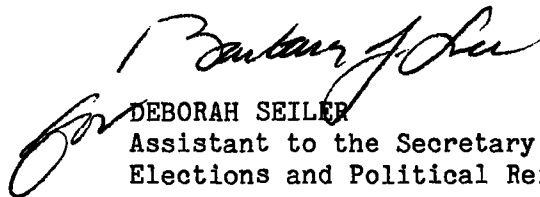
**Date varies based on receipt of county certification.

Income Tax.
Initiative Statute.
December 15, 1987
Page 3

4. The Proponent of the above named measure is:

Paul McCauley, C.P.A.
11726 San Vicente Boulevard, Suite 350
Los Angeles, California 90049
(213) 207-2069

Sincerely,


DEBORAH SEILER
Assistant to the Secretary of State
Elections and Political Reform

NOTE TO PROPONENT: Your attention is directed to Elections Code Sections 41, 44, 3501, 3507, 3508, 3516, 3517, and 3519 for appropriate format and type considerations in printing, typing, and otherwise preparing your initiative petition for circulation and signatures. Your attention is further directed to the campaign disclosure requirements of the Political Reform Act of 1974, Government Code Section 81000 et seq.

Attachment: POLITICAL REFORM ACT OF 1974 REQUIREMENTS

12/15/87

JOHN K. VAN DE KAMP
Attorney General

State of California
DEPARTMENT OF JUSTICE



P. O. Box 944255
Sacramento 94244-2550

1515 K STREET, SUITE 511
SACRAMENTO 95814
(916) 445-9555

July 22, 1987

0399

Honorable March Fong Eu
Secretary of State
1230 J Street
Sacramento, California 95814

FILED
In the office of the Secretary of State
of the State of California

JUL 22 1987

Dear Mrs. Eu:

MARCH FONG EU, Secretary of State

By *Barbara J. Lee*
Deputy

Initiative Title and Summary.
Our File No. SA87RF0005

Pursuant to the provisions of section 3503 and 3513 of the Elections code, you are hereby notified that on this day we mailed to the proponent(s) of the above identified proposed initiative our title and summary.

Enclosed is a copy of our transmittal letter to the proponent(s), a copy of our title and summary, a declaration of mailing thereof, and a copy of the proposed measure.

According to information available in our records, the name(s) and address(es) of the proponent(s) is as stated on the declaration of mailing.

Very truly yours,

JOHN K. VAN DE KAMP
Attorney General

Paul H. Dobson
PAUL H. DOBSON, Supervising
Deputy Attorney General

Enclosure

JOHN K. VAN DE KAMP
Attorney General

State of California
DEPARTMENT OF JUSTICE



P. O. Box 944255
Sacramento 94244-2550

1515 K STREET SUITE 511
SACRAMENTO 95814
(916) 445-9555

July 22, 1987

PAUL McCAULEY, C.P.A.
11726 San Vicente Blvd., Ste. 350
Los Angeles, CA 90049

Initiative Title and Summary.
Subject: INCOME TAX. INITIATIVE STATUTE.
Our File No. SA87RF0005

Pursuant to your request, we have prepared the attached title and summary of the chief purposes and points of the above identified proposed initiative. A copy of our letter to the Secretary of State, as required by Elections Code sections 3503 and 3513, our declaration of mailing, and the text of your proposal that was considered is attached.

The Secretary of State will be sending you shortly a copy of the circulating and filing schedule for your proposal that will be issued by that office.

Please send us a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file in this matter.

Very truly yours,

JOHN K. VAN DE KAMP
Attorney General

A handwritten signature in dark ink, appearing to read "Paul H. Dobson", written over a horizontal line.

PAUL H. DOBSON, Supervising
Deputy Attorney General

Attachment

PAUL McCAULEY, C.P.A.
11726 SAN VICENTE BOULEVARD - SUITE 350
LOS ANGELES, CALIFORNIA 90049

(213) 207-2069

June 10, 1987

Mr. Paul H. Dobson, Supervising
Deputy Attorney General
State of California
Department of Justice
1515 K Street, Suite 511
Sacramento, California 95814

RE: Income Tax Initiative
File No. SA 87RF0005

Dear Mr. Dobson:

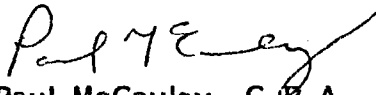
Thank you for acknowledgement of receipt of the above-referenced initiative and for starting the ball rolling.

I have included an amended version of the tax initiative with this letter. A critical eye spotted a deficiency in the initial draft concerning taxpayers who pay taxes to other states on "double taxed" income, thus the amendment. I anticipate it to be the first and last amendment.

On the subject of providing pointers for describing the initiative in the title and summary, I offer the following:

- 1) The initiative would simplify computation of state income tax liabilities by making the state income tax a direct, specific percentage of the federal income tax.
- 2) The only credits allowed against the tax so computed would be the credit for taxes paid another state on double-taxed income.
- 3) The measure is revenue neutral.

Very truly yours,


Paul McCauley, C.P.A.
Proponent

PMC/ams

Date: July 22, 1987
File No.: SA 87 RF 0005

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

INCOME TAX. INITIATIVE STATUTE. The measure provides that starting with the taxable year beginning on or after January 1, 1988, the State shall impose a tax upon California residents equal to a percentage of the federal income tax on individuals in lieu of any other tax imposed by the state Personal Income Tax Law. Directs Governor to determine an initial percentage which will generate revenues equal to the current state income tax law. Thereafter, the Legislature will determine the percentage. Specifies an allocation formula for non-residents and part-year residents. Provides tax credits for certain taxes paid to other states. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Revenue received could be higher or lower depending upon accuracy of the percentage rate selected and the relative sensitivity of the federal tax structure to changes in personal income. Elimination of Renters Tax Credit would result in savings of \$475 million annually. State administrative costs could be reduced by at least \$11 million annually and state auditing costs could be reduced by at least \$12 million annually.

The people of the State of California do enact as follows:

SECTION 1. This Act shall be known and may be cited as "The Tax Simplification Act of 1988."

SECTION 2. Section 17041.9 is added to the Revenue and Taxation Code to read:

17041.9. Commencing with the taxable year beginning on or after January 1, 1988, and for each taxable year thereafter, notwithstanding any other provision in this part to the contrary and in lieu of any other tax imposed pursuant to this part, there is hereby imposed for each taxable year upon every resident of this state a tax equal to a stated percentage of the income tax on individuals imposed by the government of the United States pursuant to Subchapter A of Chapter 1 of Subtitle A of the Internal Revenue Code of 1954, or any successor thereto. The stated percentage shall be determined in accordance with Section 5 of this Act.

SECTION 3. Nonresidents and part-year residents of this state shall pay a tax at the same rate and in the same manner as residents of this state, except that the tax they pay shall be equal to the tax computed under Section 2. of this Act as if the nonresident or part-year resident were a resident multiplied by the ratio of California source adjusted gross income to the total adjusted gross income from all sources. Adjusted gross income from all sources shall have the same meaning as

1 defined in Subchapter B of Chapter 1 of Subtitle A of the
2 Internal Revenue Code of 1954, or any successor thereto.

3 SECTION 4. The only credits against the tax imposed
4 pursuant to Sections 2 or 3 of this Act are the credits provid-
5 ed for pursuant to Revenue and Taxation Code Sections 18001 and
6 18002, and the credit provided for pursuant to Section 6,
7 below..

8 SECTION 5. The stated tax rate to be applied pursuant
9 to Section 2 of this Act shall be determined in the following
10 manner:

- 11 a) After enactment of this Act, the Governor shall
12 compute a rate of tax to be applied to the tax-
13 payer's federal tax, pursuant to Section 2, such
14 that the collective revenues derived by Califor-
15 nia from the Personal Income Tax, as herein
16 amended, generate an amount of revenue equal to
17 the revenues that would have been generated by
18 the Personal Income Tax, prior to this Amendment,
19 for the taxable year beginning on or after Janu-
20 ary 1, 1988.

21 The Governor may make good faith estimates of the
22 collective revenues to be derived from the Per-
23 sonal Income Tax, before and after this Amend-
24 ment, for the taxable year beginning on or after
25 January 1, 1988, pursuant to the requirements of
26 this Section. Once the tax rate has been deter-
27 mined for the initial year, it shall remain at
28

1 that level unless changed by the legislature
2 pursuant to Subsection (b) below.

3 b) After June 30, 1989, the California legislature
4 may amend this Act to increase or decrease the
5 rate of tax applied pursuant to Section 2, but
6 may make no further amendments except as provided
7 by Section 7 of the Act.

8 SECTION 6. There shall be allowed as a credit against
9 the tax determined in accordance with Section 2 of this Act,
10 that portion of the State Income Tax which derives from taxing
11 gross income which this state is prohibited from taxing under
12 the Constitution or laws of the United States of America or
13 under the Constitution of California. The credit shall be
14 determined by multiplying the tax determined in accordance with
15 Section 2 by the ratio that such exempt gross income (net of
16 related expenses) bears to total adjusted gross income from all
17 sources as hereinabove defined.

18 SECTION 7. If any part of this Act or application
19 thereof to any person or circumstances is held invalid or
20 unconstitutional, in part, the Legislature shall have the
21 authority to amend this Act only to remedy such error. The
22 Legislature shall have no further authority to amend this Act
23 except as provided in Sections 5 or 7, hereof.

24 SECTION 8. This Act provides for a tax levy within the
25 meaning of Article IV of the Constitution and shall go into
26 immediate effect.

DECLARATION OF MAILING

The undersigned Declarant, states as follows:

I am over the age of 18 years and not a proponent of the within matter; my place of employment and business address is 1515 K Street, Suite 511, Sacramento, California 95814.

On the date shown below, I mailed a copy or copies of the attached letter to the proponents, by placing a true copy thereof in an envelope addressed to the proponents named below at the addresses indicated, and by sealing and depositing said envelope or envelopes in the United States mail at Sacramento, California, with postage prepaid. There is delivery service by United States mail at each of the places so addressed, or there is regular communication by mail between the place of mailing and each of the places so addressed.

Date of Mailing: July 22, 1987

Subject: INCOME TAX. INITIATIVE STATUTE.

Our File No.: SA87RF0005

Name of Proponent(s) and Address(es):

PAUL McCAULEY, C.P.A.
11726 San Vicente Blvd., Ste. 350
Los Angeles, CA 90049

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Sacramento, California on July 22, 1987.



JANET STRICKLIN
Declarant



Office of the Secretary of State
March Fong Eu

1230 J Street
Sacramento, California 95814

Elections Division
(916) 445-0820
TDD: (800) 833-8683

July 22, 1987

TO ALL REGISTRARS OF VOTERS, OR COUNTY CLERKS, AND PROPONENT (8754)

Pursuant to Section 3513 of the Elections Code, we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed Initiative Measure entitled:

INCOME TAX.
INITIATIVE STATUTE.

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Cal. Const., Art. II, Sec. 8(b).
2. Official Summary Date.....Wednesday, 07/22/87
Elec. C., Sec. 3513.
3. Petition Sections:
 - a. First day Proponent can circulate Sections for
signatures.....Wednesday, 07/22/87
Elec. C., Sec. 3513.
 - b. Last day Proponent can circulate and file with
the county. All Sections are to be filed at
the same time within each
county.....Monday, 12/21/87*+
Elec. C., Secs. 3513, 3520(a).
 - c. Last day for county to determine total number
of signatures affixed to petition and to
transmit total to the Secretary of State.....Tuesday, 12/29/87

(If the Proponent files the petition with the county on a date prior to 12/21/87, the county has five working days from the filing of the petition to determine the total number of signatures affixed to the petition and to transmit the total to the Secretary of State.) Elec. C., Sec. 3520(b).

* Date adjusted for official deadline which falls on Saturday.
Elec. C., Sec. 60.

+ PLEASE NOTE: To the Proponent who may wish to qualify for the June 7, 1988 Primary Election. The law allows approximately 71 days for county election officials to check and report petition signatures and transmit results. The law also requires that this process be completed 131 days before the election in which the people will vote on the initiative. It is possible that the county may not need precisely 71 days. But if you want to be sure that this initiative qualifies for the June 7, 1988 Primary Election, you should file this petition with the county before November 19, 1987.

- d. Secretary of State determines whether the total number of signatures filed with all county clerks meets the minimum number of required signatures, and notifies the counties.....Tuesday, 01/05/88**

- e. Last day for county to determine total number of qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State.....Wednesday, 01/20/88

(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 12/29/87 the last day is not later than the fifteenth day after the county's receipt of notification.)
Elec. C., Sec. 3520(d), (e).

- f. If the signature count is more than 409,395 or less than 334,961, then the Secretary of State certifies the petition has qualified or failed, and notifies the counties. If the signature count is between 334,961 and 409,395 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of all signatures.....Thursday, 01/28/88**

- g. Last day for county to determine actual number of all qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State.....Saturday, 02/27/88

(If the Secretary of State notifies the county to determine the number of qualified voters who have signed the petition on a date other than 01/20/88, the last day is not later than the thirtieth day after county's receipt of notification.)
Elec. C., Sec. 3521(b), (c).

- h. Secretary of State certifies whether the petition has been signed by the number of qualified voters required to declare the petition sufficient.....Tuesday, 03/01/88

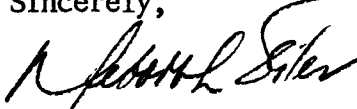
**Date varies based on receipt of county certification.

Income Tax.
Initiative Statute.
July 22, 1987
Page 3

4. The Proponent of the above named measure is:

Paul McCauley, C.P.A.
11726 San Vicente Boulevard, Suite 350
Los Angeles, California 90049
(213) 207-2069

Sincerely,



DEBORAH SEILER
Assistant to the Secretary of State
Elections and Political Reform

NOTE TO PROPONENT: Your attention is directed to Elections Code Sections 41, 44, 3501, 3507, 3508, 3516, 3517, and 3519 for appropriate format and type considerations in printing, typing, and otherwise preparing your initiative petition for circulation and signatures. Your attention is further directed to the campaign disclosure requirements of the Political Reform Act of 1974, Government Code Section 81000 et seq.

Attachment: POLITICAL REFORM ACT OF 1974 REQUIREMENTS

07/22/87

INITIATIVE CHECK LIST

Phone Notification from AG - Date/Time: 7/22/87 - 10:05

Title of Initiative: INCOME TAX

Type of Initiative: CA ✓ S CA and S

Number of Pages Number of Proponents 1

Date and Time Initiative will be ready for pick-up 7/22/87 - 10:05

Initial/Date/Time

1. DA 17/22/10:07 OSSI informs Deborah/David/Barbara/Caren and Don day and time initiative will be ready for pick-up.
2. DA 17/22/10:10 OSSI gives check list to Word Processing Technician to prepare calendar.
3. DA 17/22/11:10 Word Processing Technician prepares and proofs calendar and log and returns both to OSSI.
4. DA 17/22/11:15 OSSI proofs calendar and log and gives to Elections ~~Chief~~ Analyst for review.
5. EC 17/22/11:20 Elections Analyst reviews and has Elections Chief sign. Elections Analyst returns signed calendar to OSSI.
6. DA 17/22/11:25 OSSI makes copies of initiative calendar for each proponent.
7. DA 17/22/11:30 OSSI attaches copy of Political Reform Act of 1974 Requirements to proponent's copy of initiative calendar.
8. DA 17/22/11:30 OSSI prepares Mail/Freight Request Form. OSSI hand carries Mail/Freight Request form and initiative calendar for each proponent (ready for mailing) to Service and Supply. Initiative calendar sent on to each proponent.

Date

(This must be sent to each proponent same day AG prepares Title and Summary).

9. DA 17/22/11:40 OSSI advises Assistant Chief when initiative calendar is sent to proponent(s).

INITIATIVE CALENDAR CHECK LIST

Page two

10. DA 7/22/72 1:33 OSSI distributes copies of initiative calendar same day AG prepares Title and Summary to:
- ☒ Tony
 - ☒ Caren
 - ☒ Jerry
 - ☒ Deborah
 - ☒ Barbara
11. DA 17/22 3:00 OSSI distributes copies of initiative calendar to:
- ☒ All CC/ROV
 - ☒ Political Reform (~~6~~³ copies)
 - ☒ Elections Staff
 - ☒ LA Office via LA Pouch - J.R. Schultz (12 copies)
 - ☒ Initiative mailing list
 - ☒ Extra copies for public distribution
 - ☒ Master copy
12. DA 17/23 10:00 OSSI advises Assistant Chief of completion of above distribution.
13. DA 17/23 2:00 OSSI makes copies of log and distributes as follows:
1. Initiative canvass binder
 2. Ron Wong - FTB
 3. Joe Samora - Archives
14. AP 17/22 2 P.M. OSSI prepares folder for public distribution.
15. AP 17/22 2:25 OSSI prepares index cards for each initiative.
16. DA 17/23 2:00 OSSI staples Mail/Freight Request form to back of INITIATIVE CHECK LIST.
17. DA 17/23 2:00 OSSI returns completed INITIATIVE CHECK LIST to Assistant Chief.
18. 1-1 Assistant Chief returns check list to Election Analyst.

ELECTIONS DIVISION
MAIL/FREIGHT REQUEST

Mail Submitted to Mail Room

7/22 / 1 1:30
Date Time

Request mail to be sent no later than

7/22
Date

MAIL:

- ☒ 1st Class
☐ Bulk
☐ Book Rate
☐ Presort
☐ Third Class

CHARGES:

Amount: 394

Pieces: 1

FREIGHT:

- ☐ UPS
☐ Purolator
☐ Greyhound (Next bus out: Yes _____ No _____)
☐ Air-Freight
☐ Truck Lines

ACTIVITY:

- ☐ Outreach (Specify: _____)
☐ County Mailings (#'s: _____)
☐ Ballot Pamphlet
☐ Other (Specify: _____)
☒ Initiative Calendar to Proponent(s).

Mail room sent requested mail on _____

Dissi
Initial (Service and Supply)